

HONORABLE LAUREN KING

UNITED STATES DISTRICT COURT FOR THE  
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

BEVERLY JANE CARY,  
Debtor,

BEVERLY JANE CARY

vs.

PATCH SERVICES, LLC d/b/a  
NOAH; PATCH HOMES, INC.;  
FIRST AMERICAN TITLE  
INSURANCE COMPANY LENDERS  
ADVANTAGE,

Defendants

Dist Ct. Case 2:22-cv-00538-LK  
Chapter 13 Case No. 20-12450 TWD

Adversary Case No. 22-01000-TWD

DECLARATION OF MELISSA A.  
HUELSMAN IN SUPPORT OF  
PLAINTIFF'S RESPONSE TO MOTION  
TO DISMISS

I, Melissa A. Huelsman, hereby declare as follows:

1. I have personal knowledge of the facts as stated herein and if called upon to testify to the truth thereof, I could and would do so.

2. Attached hereto as **Exhibit A** is a true and correct copy of Ms. Cary's Option Agreement with the Patch Defendants, which is referenced in the Complaint. I obtained a copy of this document from Ms. Cary and it was included in the packet she received from Defendant

DECLARATION OF MELISSA A. HUELSMAN IN  
SUPPORT OF RESPONSE TO MOTION TO DISMISS -  
Page 1 of 2

**LAW OFFICES OF  
MELISSA A. HUELSMAN, P.S.**  
705 Second Avenue, Suite 606  
Seattle, WA 98104  
Tel: (206) 475-4504 / Fax: (206) 673-8220  
mhuelsman@predatorylendinglaw.com

1 First American after the loan signing.

2 3. Prior to filing the Second Amended Complaint, I was struggling to try to get clarity  
3 about whether Defendant First American Title Insurance Company Lenders Advantage was  
4 authorized to conduct escrow business in the State of Washington. This is because a title  
5 insurance company is not required to separately register with the Department of Financial  
6 Institutions as an escrow agent, so long as it is licensed with the Washington Office of Insurance  
7 Commissioner.

8 4. I was able to confirm that First American Title Insurance was licensed with the  
9 Office of Insurance Commissioner but I could not ascertain if “Lenders Advantage” was a  
10 separate entity not included under the First American insurance license.

11 5. After we filed the Second Amended Complaint, I was finally able to get a response  
12 from DFI about First American’s license and received confirmation that it could conduct escrow  
13 business in Washington using the Lenders Advantage name.

14 6. Because I was working with my two co-counsel on the Amended Complaint after I  
15 wrote it and they were reviewing it before filing, I forgot to remind them to wait until I got an  
16 answer about First American and it was filed before I got the answer. I apologize for the error. It  
17 is attributable to me losing track of that issue during the final reviews.

18  
19 This Declaration is made under penalty of perjury under the laws of the United States of  
20 America this 21<sup>st</sup> day of June, 2022 at Seattle, Washington.

21  
22 By: /s/Melissa A. Huelsman

23 Melissa A. Huelsman, WSBA #30935

**EXHIBIT A**

**RECORDING REQUESTED BY:**

Patch Services LLC.

**AND WHEN RECORDED MAIL TO:**

Patch Services LLC.  
576 Sacramento Street, 4<sup>th</sup> Floor  
San Francisco, CA 94115

Transaction ID. 201907-CARY-01

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**MEMORANDUM OF AGREEMENT**

Grantor(s): BEVERLY J. CARY

Grantee: Patch Services LLC.

Abbreviated Legal: Real property located in an Unincorporated Area in the County of KING,  
State of Washington.  
(Full legal description on attached Exhibit A)

Tax Parcel No.: 723759-0040

This **MEMORANDUM OF AGREEMENT** ("**Recorded Memorandum**"), is entered into as of July 18, 2019 ("**Effective Date**"), by and between BEVERLY J. CARY (individually or collectively "**Owner**"), and Patch Services LLC. a Delaware corporation and its successors and assignees ("**Benefited Party**"), whose address is 576 Sacramento Street, 4<sup>th</sup> Floor, San Francisco, CA 94111.

**MEMORANDUM OF REAL ESTATE PURCHASE OPTION AGREEMENT**

Owner hereby declares that Owner and Benefited Party have entered into that certain Patch Services LLC Real Estate Purchase Option Agreement dated the same date as the Effective Date ("**Option Agreement**"), pursuant to which Owner grants and conveys to Benefited Party the option ("**Option**") to purchase an undivided fractional interest in all of that certain real property described in Exhibit A attached hereto (the "**Property**"), all as more particularly described, and on the terms and conditions stated in the Option Agreement. The fractional interest shall equal the Designated Percentage, as specified in the Option Agreement. The Option is irrevocable by Owner. The term of the Option shall commence on the Effective Date and shall expire at 11:59 p.m., Pacific Time, on the day immediately preceding the Expiration Date. The terms of the Option Agreement are hereby incorporated into this Recorded Memorandum by this reference,

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and unless otherwise defined herein, capitalized terms used in this Recorded Memorandum shall have the meanings attributed to such terms in the Option Agreement.

MEMORANDUM OF COVENANTS RUNNING WITH THE LAND

By entering into the Option Agreement, Owner has made certain covenants and promises to or for the benefit of Benefited Party in connection with the Property.

This Recorded Memorandum identifies the covenants and promises set forth in the Option Agreement that run with the land and are binding upon any party who acquires Owner's (or Owner's heirs, successors and assigns) interest in the Property for the benefit of the Benefited Party and its successors and assigns, so long as the Option Agreement remains in full force and effect and has not expired or been terminated in accordance with the terms provided for therein.

The covenants that run with the land are as follows:

- a. Section 7.1 of the Option Agreement which, among other things, requires Owner to maintain and repair the Property and to ensure that use of the Property complies with all applicable state, federal and local laws and regulations.
- b. Section 7.2 of the Option Agreement which, among other things, requires Owner to maintain insurance on the Property against all hazards in the amounts and types provided for therein.
- c. Section 7.3 of the Option Agreement which, among other things, requires Owner to pay all taxes and assessments accruing on the Property.
- d. Section 7.4 of the Option Agreement which, among other things: requires Owner to continuously occupy the Property as Owner's Principal Residence in the event the Property is indicated as Owner's Principal Residence on Exhibit C to the Option Agreement; requires that the Property be used as a single family residence; and prohibits use of the Property for any commercial or other non-residential purposes.
- e. Section 8.1 of the Option Agreement which, among other things, restricts the ability of Owner to increase the amount of debt that is secured by a lien on the Property beyond the Maximum Authorized Debt specified in the Option Agreement.
- f. Section 8.3 of the Option Agreement which, among other things, requires Owner to keep the Property free of liens not approved by Benefited Party.
- g. Section 9.5 of the Option Agreement which, among other things, restricts the right of Owner to transfer the Property without Benefited Party's consent or deemed consent.

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- h. Section 9.6 of the Option Agreement which, among other things, restricts Owner's right, upon sale of the Property, to receive all the benefits of improvements made on the Property.
- i. Section 11.7 of the Option Agreement which, among other things, requires Owner to provide Benefited Party with a right of first refusal in connection with any proposed sale of the Property by Owner.

SPECIAL POWER OF ATTORNEY COUPLED WITH AN INTEREST

Each person whose signature appears below as Owner hereby irrevocably nominates, constitutes and appoints, in general, Benefited Party and its successor and assignees, and, in particular, each of its and their Chief Executive Officer, President, Chief Financial Officer, Chief Operating Officer, Managing Directors and Vice Presidents, as Owner's true and lawful agents and attorneys-in-fact (with full power of substitution) in Owner's name and on Owner's behalf (in any and all capacities) to exercise the powers set forth below consistent with the provisions contained in this Recorded Memorandum and in the Option Agreement ("**Power of Attorney**").

This Power of Attorney will be exercised: (i) only when Benefited Party or its successor or assignee exercises the Option pursuant to either Section 2.4.2 of the Option Agreement (up to six (6) months prior to the Expiration Date) or Section 2.4.3 of the Option Agreement (which includes instances in which Owner fails to protect or jeopardizes Benefited Party's contingent interest in the Property), and becomes a co-owner of the Property: and (ii) only for the sole purpose of authorizing and empowering Benefited Party (although only a co-owner of the Property) to market, advertise, sell and transfer title to one hundred percent (100%) of the Property, including Owner's interest therein.

Accordingly, Benefited Party or its successor or assignee and the other parties designated above as attorneys-in-fact, shall have the power and authority to do all acts and to execute any and all documents, instruments and agreements as such agents and attorneys-in-fact deem necessary or advisable: (a) to solicit buyers for the entire Property and offers for a sale of the entire Property; (b) to advertise the entire Property for sale on reasonable and customary terms and conditions for a price that is reasonable in view of the then market conditions; and (c) to sell the entire Property and transfer Owner's entire interest in, and title to the Property on usual and customary terms and conditions, the proceeds of which will be allocated to Owner and Benefited Party as provided in the Option Agreement.

The Power of Attorney granted hereunder is coupled with an interest. All acts that the attorneys-in-fact shall lawfully do, or cause to be done, under the authority of this Power of Attorney are hereby expressly approved, ratified and confirmed.

This Power of Attorney is a durable power of attorney and shall remain in force despite any Owner's subsequent incapacity, disability or death.

RELEASE

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This Recorded Memorandum shall remain in full force and effect until released by a written release, quitclaim deed or other written termination of this Recorded Memorandum that is executed and notarized by Benefited Party and is recorded in the real property records for the county where the Property is located.

To the extent of any inconsistency between the terms of the Option Agreement and this Recorded Memorandum, the terms of the Option Agreement shall prevail and control.

*[Signatures and notarial acknowledgements appear on following pages]*

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READ THIS DOCUMENT CAREFULLY BEFORE SIGNING IT. ALL PRIOR ORAL, ELECTRONIC AND WRITTEN COMMUNICATIONS AND AGREEMENTS FROM OR WITH BENEFITED PARTY, INCLUDING ALL CORRESPONDENCE, OFFER LETTERS, TERM SHEETS, PRINTED MATERIALS, DISCLOSURES, AND THE PRODUCT GUIDE, ARE MERGED INTO AND SUPERSEDED AND REPLACED BY THIS RECORDED MEMORANDUM, THE OPTION AGREEMENT, AND THE OTHER WRITTEN AGREEMENTS MADE BY AND BETWEEN OWNER AND BENEFITED PARTY AS OF THE EFFECTIVE DATE.

IN WITNESS WHEREOF, the undersigned Benefited Party and Owner have each executed this Recorded Memorandum as of the Effective Date.

**BENEFITED PARTY:**

PATCH SERVICES LLC.  
a Delaware corporation

By: 

Name: Sundeep Ambati

Title: Authorized Signer

Date signed: 7-18-19

**OWNER:**

  
[BEVERLY J. CARY]

Owner Address:

27834 31ST PL S, AUBURN  
WASHINGTON 98001



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ACKNOWLEDGMENT

STATE OF WASHINGTON )  
COUNTY OF King ) ss.

I certify that I know or have satisfactory evidence that BEVERLY J. CARY  
is/are the person(s) who appeared before me, and said person(s) acknowledged that he/she/they  
signed this instrument and acknowledged it to be his/her/their free and voluntary act for the uses  
and purposes mentioned in this instrument.

DATED: July 23, 2019 [Signature]

Print Name: Kim Nelson



NOTARY PUBLIC for the State of  
Washington, residing at  
Lehi - WA

My appointment expires:  
05/12/2021



## ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

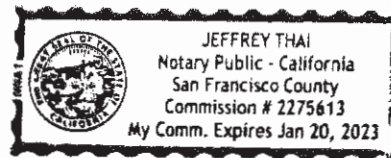
County of San Francisco)

On 7/18/19 before me, Jeffrey Thai, Public Notary  
(insert name and title of the officer)

personally appeared Sundeep Ambarti,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.



Signature \_\_\_\_\_

(Seal)

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**EXHIBIT A**

**LEGAL DESCRIPTION**

The Land referred to herein below is situated in an Unincorporated Area in the County of KING, State of Washington, and is described as follows:

LOT 4, THE RESERVE AT STAR LAKE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 216 OF PLATS, PAGE(S) 72 THROUGH 76, RECORDS OF KING COUNTY, WASHINGTON.

FOR INFORMATION ONLY: LOT 4, THE RESERVE AT STAR LAKE, VOL 216, PG 72-76, KING COUNTY, WA.

APN #: 723759-0040

# Property Tax Report



**First American**  
MORTGAGE SOLUTIONS

## ORDER INFORMATION

Report Date:	July 2, 2019	Loan Number:	PropertyTaxProcess
Order Number:	327506		
Borrower/Buyer:	None Provided		
Address:	27834 31st Pl S Auburn, WA 98001		

IMPORTANT NOTE: "The information set out below is provided for general reference to the subject matter being covered. The provider makes no warranty, either express or implied, with regard to the specific state tax requirements or the final tax figures. The tax information provided is obtained from public records and the provider does not guarantee that the figure stated is the final tax amount."

### COUNTY REAL ESTATE TAXES

#### KING COUNTY, AGENCY 1 of 1

Agency Type:	COUNTY	Agency Code:	WA0170000
Agency Name:	KING COUNTY	Agency Fees:	
Agency Address:	500 4TH AVE. ROOM 600 FINANCE DEPT. SEATTLE, WA 98104		
Pay To:	KING COUNTY TREASURY	Pay To Phone:	(206) 263-2890

### PROPERTY TAX DETAIL

#### KING COUNTY, PARCEL 1 of 1

Land Value:	\$73,000.00	Improvement Value:	\$211,000.00	Land Use Code:	1002
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<b>INSTALLMENTS</b>	Tax Year: 2019	Bill Type: Regular	A.P.No.: 723759004002
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<u>Due Date</u>	<u>Due By Date</u>	<u>Amount</u>	<u>Status</u>	<u>Penalty Date</u>	<u>Payoff Amount</u>	<u>Amt Good Through</u>
2/15/19	4/30/19	\$1,876.65	Paid	5/1/19		
2/15/19	10/31/19	\$1,876.65	Open	11/1/19		

No Discounts available.

No Exemptions available.

### ORDER COMMENTS

Annual Tax Amt (estimate): \$3,753.30

THIS REPORT: (I) IS NOT AN INSURED PRODUCT OR SERVICE OR AN ABSTRACT, LEGAL OPINION OR A REPRESENTATION OF THE CONDITION OF TITLE TO REAL PROPERTY; (II) IS ISSUED EXCLUSIVELY FOR THE BENEFIT OF THE APPLICANT THEREFOR AND MAY NOT BE USED OR RELIED UPON BY ANY OTHER PERSON; AND (III) MAY NOT BE REPRODUCED IN ANY MANNER WITHOUT THE PRIOR WRITTEN CONSENT OF FIRST AMERICAN. FIRST AMERICAN DOES NOT REPRESENT OR WARRANT THAT THE INFORMATION HEREIN IS COMPLETE OR FREE FROM ERROR, AND EXPRESSLY DISCLAIMS ANY LIABILITY TO ANY PERSON OR ENTITY FOR LOSS OR DAMAGE CAUSED BY ERRORS OR OMISSIONS IN THE REPORT REGARDLESS OF WHETHER SUCH ERRORS OR OMISSIONS RESULT FROM NEGLIGENCE, ACCIDENT, OR OTHER CAUSE.